

AUDIT & RISK COMMITTEE
Minutes of Meeting on Wednesday 09 April 2014 @10.30am

Present:

Richard Buchanan **RB** (Chair)
Patrick Farry **PF** (Member)

In Attendance:

Christine Burns **CB** (NIAO)
Pauline Poots **PP** (Internal Audit)
Linda Mervyn **LM** (OFMDFM)
Julie Shirlow **JS** (OFMDFM)
Arlene McCreight **AMC** (CVSNI)
John Beggs, Secretary to the Commission **JB** (CVSNI)
Sarah Beare **SB** (Minutes)

1. Introduction and Apologies

- 1.1. The **Chair (RB)** welcomed everyone to the meeting.
- 1.2. Apologies were given from Brian Clerkin (Head of Internal Audit), Colette Kane (NIAO) and Laura Kennedy (Secretary to the Committee)

2. Register of Interests / Contractor-Supplier List

- 2.1. There were no conflicts noted.

3. Minutes of meeting on 15 January 2014

- 3.1. The minutes were agreed by all.
- 3.2. On 15 January 2014 **RB** requested Board minutes be included in future Audit and Risk Committee Papers. As Board minutes were not included in the papers, **RB** requested that Board minutes from January 2014 to present be issued following the meeting and included in future papers.

ACTION: SB

- 3.3. **PF** queried the end of term for membership of the Audit and Risk Committee. **AMC** confirmed the end of term as November 2015.

4. Annual Report and Accounts

- 4.1. It was noted that **CB** met with **JB** on 12 March 2014 to agree the Audit Strategy.

- 4.2. **CB** highlighted the key areas of risk and explained the Audit Strategy.
- 4.3. **RB** requested to be notified as early as possible should there be a change to the audit timescale.
- 4.4. **CB** highlighted changes to guidelines in relation to Annual Report and Accounts.

ACTION: SECRETARIAT

5. Update – Accounting Officer

Budget

- 5.1. The Budget was noted. **JB** confirmed he was content that the total expenditure for 2013/14 would be within the tolerance level of 0.5%.
- 5.2. **RB** conveyed his gratitude and appreciation to **JB** as the budget was on target.
- 5.3. **LM** acknowledged the work required to get contracts in place. It was noted that **JB**'s training and the training of Commission staff had been key to procurement.

Update on Business Cases and Procurement

- 5.4. **JB** provided an update on Business Cases and Procurement.
- 5.5. **JB** confirmed that a Contracts Register was in place and that post contract reviews would be carried out at the end of each contract.
- 5.6. **JB** confirmed that Jones Cassidy Brett Solicitors had been awarded the Legal Services contract.
- 5.7. **JB** confirmed the Addendum to the Forum Business Case had been approved by the Department on 1 April 2014.

Accounts

- 5.8. It was confirmed that Ross Boyd Ltd would prepare the Commission's Accounts for 2013/14 but the Annual Report would be prepared internally.
- 5.9. The anticipated date for the Commission based audit to begin was noted as 11 August 2014 with a view to having draft Annual Report and Accounts prepared for review by the Audit and Risk Committee on 08 October 2014.

Corporate Plan and Work Programme

- 5.10. **JB** provided an update on the 2013 -2014 Work Programme, highlighting key areas of work.
- 5.11. It was noted that the Forum did not agree their paper on Building for the Future, therefore this target was not achieved.
- 5.12. **JB** advised of an additional outputs paper prepared to capture work completed that was not reflected in the 2013-14 Work Programme.
- 5.13. It was confirmed that the Commission's new website had gone live on 4 December 2013.
- 5.14. An under spend was noted in relation to the Communications Contract.
- 5.15. **RB** requested the Commission and Department agree on either Business Plan or Work Programme as terminology for consistency.
- 5.16. It was noted that the draft 2014-15 Work Programme and Draft 2014-17 Corporate Plan would be discussed at the next Accountability meeting on 10 April 2014.
- 5.17. **JB** presented the draft 2014-15 Business Plan.
- 5.18. A budget of £1,076,000 had previously been confirmed for the 2014-15 year. It was noted that there would be a 3% budget cut. **LM** advised that she was

awaiting confirmation of the budgets and advised that letters would be sent to ALB's to advise them.

- 5.19. **JB** outlined the Commission's corporate objectives for 2014-17.
- 5.20. It was noted that the Departmental Board had requested to see the Commission's draft 2014-15 Business Plan and draft 2014-17 Corporate Plan at their next meeting on 30 April 2014.
- 5.21. **LM** advised that the Department sought legal advice on legislation at the time of appointment of a single Commissioner and were advised that no changes to legislation were required. **JB** confirmed that the Commission had sought legal advice on the legal status of the Commission which concurs with the legal advice sought by the Department.
- 5.22. **RB** requested that a paragraph explaining how the Board carries out its functions be added to the Corporate Plan.

ACTION: AMC

- 5.23. Typing errors to be corrected were identified in the draft 2014-17 Corporate Plan.

ACTION: SB

Other issues to note

- 5.24. **Audit and Risk Committee Membership** – **LM** advised that new DAO (DFP) 05/14 Guidance had issued on 18 March 2014. It was agreed that the Commission would review this before proceeding with the appointment of a third Committee member.
- 5.25. **PP** advised that Brian Clerkin would provide a briefing on changes to the Terms of Reference at the next meeting of the Audit and Risk Committee.

Schedule of Dilapidations

- 5.26. It was confirmed that the final schedule and payment had been agreed and the payment had been issued.
- 5.27. **Management Statement & Financial Memorandum** - **LM** advised that the MSFM was being reviewed by Department and that a draft should be available shortly.
- 5.28. **DAO 09/13 Remuneration – non executive directors** - The DAO 09/13 Remuneration in relation to non executive directors was noted.
- 5.29. **Review of the Commission** – It was noted that the next triennial review was planned for 2014/15.
- 5.30. **Update on Recommendations from Internal Audit & NIAO** - All recommendations have been implemented or are on target for implementation.
- 5.31. **Freedom of Information Requests** - One FOI request was received on 5 March 2014 and a response issued on 25 March 2014.

Historic Investigation – Pilot Forum/ Forum Transition Group

- 5.32. The Accounting Officer had reviewed the case and recommended no further action to be taken. This was reported at the last Board meeting on 8 April 2014 and a paper would be submitted to the Department.

ACTION: JB

HR

- 5.33. It was noted that the recruitment for the Policy Support Officer had begun.
- 5.34. It was noted that the Information and Records Officer had submitted his resignation.
- 5.35. It was noted that the Head of HR and Corporate Services placement would be coming to an end in May 2014. **JB** advised that the Commission would recruit for this vacancy.
- 5.36. **RB** recorded his thanks and gratitude to **AMC** for her participation at the Audit and Risk Committee and wished her well for the future.

Direct Award Contracts

- 5.37. No Direct Award Contracts were undertaken in year to date.

DAO Guidance

- 5.38. **LM** advised that new DAO (DFP) Guidance, Audit and Risk Assurance Committee Handbook, had issued on 18 March 2014.

6. Internal Audit

- 6.1. **PP** presented the Annual Internal Audit Assurance Report 2013/14, the Audit Dashboard, 2013/14 year Follow up review report, 2013/14 Corporate Governance report and the 2013/14 Purchasing and Procurement report.
- 6.2. It was noted that all reports provided satisfactory assurance. All reports were agreed.
- 6.3. **RB** requested that the Commission ensure there are appropriate procedures in place for staff in relation to purchasing and procurement should the Accounting Officer be unavailable.
- 6.4. It was agreed to include cumulative totals and historical payments in documentation for approval of invoices payment.

ACTION: JB

7. Risk Register

- 7.1. Further to correspondence with the Department in January 2014 regarding the Risk Register and Stewardship statement, **JB** confirmed that risks were being identified and managed accordingly.
- 7.2. **JB** presented the Risk Register approved by the Board on 8 April 2014 and a revised Risk Register for April 2014 in light of 2013/14 outturns.
- 7.3. Discussion took place regarding Corporate Risk 1. **JB** proposed this risk be reduced to amber rating as the likelihood was reduced. Agreed by all.
- 7.4. Discussion took place regarding Corporate Risk 2. It was noted that this risk had previously had an amber rating. **JB** proposed this was reduced to a green rating. Agreed by all.
- 7.5. Discussion took place regarding Corporate Risk 3. It was agreed by all to reduce the likelihood to 2 but keep this as a high risk.
- 7.6. The remaining risk ratings were agreed and further discussion took place regarding Corporate Risk 6. Following staff resignations/redeployment, it was agreed the risk would be reviewed at the next meeting.

